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RUEATRS/DEPT OF TREASURY WASHINGTON DC

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STATE ALSO FOR EAP/MTS AND EAP/EP
STATE PASS USTR FOR BWEISEL AND DKATZ
USDOC FOR 4430/ITA/MAC/ASIA & PAC/KOREA & SE ASIA/ASEAN
STATE ALSO PASS USAID FOR AA/ANE, AA/EGAT, DAA/ANE
TREASURY FOR OASIA

E.O. 12958: N/A
TAGS: [EINV](#) [ECON](#) [ETRD](#) [PGOV](#) [RP](#)
SUBJECT: Philippine Anti-Red Tape Act Signed

REF: 06 Manila 4878

11. Summary. On June 2 President Gloria Macapagal-Arroyo signed the Anti-Red Tape Act of 2007, a law that aims to reduce red tape in the bureaucracy, hasten government transactions, and impose stiff penalties for those engaged in graft and corrupt practices. Though a step in the right direction, the effectiveness of this act will depend on proper enforcement and implementation, both of which will be difficult. End Summary.

12. President Macapagal-Arroyo has signed The Anti-Red Tape Act (Republic Act 9485), which aims to reduce red tape in the bureaucracy and accelerate government transactions, into law. Stipulated in the Act are clear administrative guidelines and procedures for accessing the services of government offices and agencies, including local government units and government-owned and controlled corporations. With this Act, all government agencies and offices will have 10 working days to complete "complex" transactions, and five working days to complete "simple" transactions. The number of signatories of any official document will be limited to five.

13. The Act distinguishes between "light" and "grave" offenses. Light offenses include refusal to accept or failure to act on an application within a prescribed period or failure to render service within the prescribed period without due cause. Grave offenses include fixing and/or collusion with fixers for economic and/or other gain. A government official found guilty of a light offense would receive a 30-day suspension without pay and mandatory attendance in a values orientation program for a first offense, a three month suspension without pay for a second offense, and for a third offense, dismissal and permanent disqualification from public office. Those guilty of grave offenses face immediate dismissal and disqualification from holding public office in the future. The law also provides immunity to whistleblowers to encourage them to expose corruption in the bureaucracy.

14. Comment: Though this legislation was not the result of the GRP's Competitiveness Initiative (reftel), it dovetails nicely with many of the objectives of that initiative. Implementation will be a challenge, as backlogs in processing are the norm in GRP agencies and no new resources are being provided. Further, resistance by officials who have previously benefited by the "pay or delay" system can be counted on to resist implementation. Previous efforts by the GRP to simplify government processes have failed to produce tangible results. Interested readers can follow our reporting on this and other aspects of the Competitiveness Initiative on the Intellipedia at http://www.intelink.sgov.gov/wiki/Philippine_Competitiveness_Initiative. End Comment.

